



NORTH AMERICAN CAR CORPORATION

222 SOUTH RIVERSIDE PLAZA • CHICAGO, ILLINOIS 60606 U.S.A. • (312) 648-4000 • TELEX 255222

RECORDATION NO. **9622** Filed & Recorded

AUG 4 1978 - 11 22 AM

INTERSTATE COMMERCE COMMISSION
August 3, 1978

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: Section 20c Filing: Collateral Assignment ("Assignment")
dated as of August 1, 1978, between North American Car
Corporation and the Bank of New York

Dear Secretary:

Enclosed for recording under section 20c of the Interstate Commerce Act are four executed counterparts of the Assignment dated August 1, 1978, between North American Car Corporation, 222 South Riverside Plaza, Chicago, Illinois 60606 (the "Company") and The Bank of New York, 48 Wall Street, New York, New York 10015 (the "Bank").

Under the Assignment, the Company assigns to the Bank its rights under certain "Collateral Documents" described therein (the "Documents"), to secure indebtedness under a certain Loan Agreement dated as of July 26, 1978, between the Company and the Bank. Among the Documents are the following:

(a) Conditional Sale Agreement dated as of March 31, 1973, among Pullman, Incorporated (Pullman-Standard Division), North American Car Corporation, and Chicago, Rock Island and Pacific Railroad Company, as assigned pursuant to an Agreement and Assignment dated March 3, 1973 from Pullman, Incorporated to First Pennsylvania Banking and Trust Company; hereinafter, the "Pullman Agreement."

(b) Conditional Sale Agreement dated as of March 31, 1973, among Thrall Car Manufacturing Company, North American Car Corporation, and Chicago, Rock Island and Pacific Railroad, as assigned pursuant to an Agreement and Assignment dated March 31, 1973, from Thrall Car Manufacturing Company to First Pennsylvania Banking and Trust Company; hereinafter, the "Thrall Agreement."

RECEIVED
AUG 4 10 43 AM
I.C.C. REG.
FEE OPERATIONS

8-216A153

AUG 4 1978

Fee \$ 50 + 30

ICC Washington, D. C.

(c) Lease of Railroad Equipment dated as of March 31, 1973, between North American Car Corporation, as Lessor, and Chicago, Rock Island and Pacific Railroad Company, as Lessee; hereinafter, the "Lease."

Please cross-index this filing against the following:

(a) the Pullman Agreement, filed with the ICC on April 24, 1973, as document 7000;

(b) the Thrall Agreement, filed with the ICC on April 24, 1973, as document 7001; and

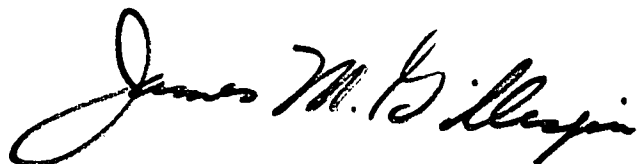
(c) the Lease, filed with the ICC on April 24, 1973, as document 7002.

Also enclosed is a check in the amount of \$50.00, and three checks each in the amount of \$10.00, all payable to the Interstate Commerce Commission; as the recording fees for the Assignment and its cross-indexes.

Pursuant to the Commissions rules and regulations for the recording of certain documents under Section 20c of the Interstate Commerce Act, you are hereby requested to duly file two of each of the enclosed counterparts for record in your office and to return the remaining counterparts, together with the Secretary's Certificates of Recording, to the messenger making this delivery.

If you have any questions, please contact me.

Yours very truly,

A handwritten signature in black ink, reading "James M. Gillespie". The signature is written in a cursive, flowing style with a large initial "J".

James M. Gillespie
Attorney

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

James M. Gillespie
North American Car Corporation
222 North Riverside Plaza
Chicago, Illinois 60606

Dear **Mr. Gillespie:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **August 4, 1978** at **11:00 am**, and assigned recordation number(s) **9621 and 9622**

Sincerely yours,

H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

COLLATERAL ASSIGNMENT

AUG 4 1978 11 00 AM

INTERSTATE COMMERCIAL COMMISSION

This Collateral Assignment dated as of August 1, 1978 is executed by North American Car Corporation, a Delaware corporation (the "Company") in favor of The Bank of New York (herein called the "Bank"), in order to induce the Bank to extend credit to the Company on the terms and subject to the conditions set forth in the Loan Agreement between the Bank and the Company dated July 26, 1978, as amended (the "Loan Agreement").

THEREFORE, in consideration of the premises, the Company agrees as follows:

Section 1. Rights Assigned. In order to secure the prompt payment of the principal and interest on the Note (as defined in the Loan Agreement), and of all other indebtedness of the Company payable or to be payable under this Assignment, the Loan Agreement and any other document executed pursuant to the Loan Agreement (hereinafter collectively called the "Indebtedness") and the faithful performance or observance by the Company of all of its agreements and covenants contained in each of the aforesaid documents, the Company does hereby convey, pledge, sell, mortgage, assign, transfer, set over and grant a security interest unto the Bank in and to all right, title, and interest (the "Rights") of the Company in and to the documents listed in Schedule I hereto (the "Collateral Documents") which are delivered to the Bank herewith, including, but not limited to (i) all claims for damages arising out of the breach thereof, (ii) the right to terminate any assigned lease, to perform thereunder and to compel performance of the terms thereof, (iii) the right to receive all moneys and claims for moneys due and to become due to the Company under the terms of the Collateral Documents, (iv) all claims for damages and all insurance and other proceeds in respect of the actual or constructive loss of, or the requisition (whether of title or use), condemnation, sequestration, seizure, forfeiture or other taking of, the equipment and (v) the right to take possession of the Equipment. The Rights shall be exercised by the Bank in accordance with Section 12 hereof. "Equipment" as used herein shall mean all property in which the Company has an interest (as lessor, lessee, vendor, vendee, owner, or otherwise) pursuant to the Collateral Documents.

Section 2. Performance of Obligations Under Collateral Documents. It is expressly agreed that the Bank shall have no obligation or liability under the Collateral Documents by

reason of, or arising out of, this Assignment and shall not be obligated to perform any of the obligations of the Company under any Collateral Documents or to make any payment or to make any inquiry of the sufficiency of any payment received by it or to present or file any claim or to take any other action to collect or enforce any payment assigned hereunder.

Section 3. Documents for Perfection of Security Interest. The Company agrees that at any time and from time to time, upon the written request of the Bank, the Company will promptly and duly execute and deliver any and all such further instruments and documents as is necessary to obtain the full benefits of this Assignment and of the rights and powers herein granted. To the extent permitted by applicable law, the Company hereby authorizes the Bank to execute and file any financing or continuation statements with respect to the Collateral Documents without necessity of the signature of the Company. Without limiting the generality of Section 3(a), the Company hereby agrees to:

(i) Cause copies of this Assignment to be filed as provided under Section 20(c) of the Interstate Commerce Act.

(ii) Cause financing statements naming the Company as Debtor and the Bank as Secured Party describing the Rights hereby assigned to be filed with the Secretary of State of Illinois.

Section 4. Notices. All reports and notices hereunder shall be given in writing and, if relating to the Company to 222 South Riverside Plaza, Chicago, Illinois, Attention: Vice President - Finance and to the Bank at The Bank of New York, 48 Wall Street, New York, New York 10015, Attention: O. J. Betz, Vice President. The Company will immediately notify the Bank in writing upon the occurrence of any Event of Default under or breach of any Collateral Document by any party thereto.

Section 5. Governing Law. This Assignment shall be deemed to be a contract under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of said State.

Section 6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the Company and the Bank, and their respective successors and assigns, except that the Company may not assign or transfer their rights hereunder without the prior written consent of the Bank.

Section 7. Cumulative Remedies. Each right, power and remedy herein specifically granted to the Bank or otherwise available shall be cumulative, and shall be in addition to

every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity, or otherwise. Each right, power and remedy, whether specifically granted herein or otherwise existing, may be exercised, at any time and from time to time by the Bank. The exercise or commencement of exercise of any right, power or remedy shall not be construed as a waiver of the right to exercise, at the same time or thereafter, the same or any other right, power or remedy. No delay or omission by the Bank in exercising any such right or power, or in pursuing any such remedy, shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Company or any acquiescence therein. No waiver by the Bank of any breach or default of or by the Company under the Assignment shall be deemed to be a waiver of any other or similar, previous, or subsequent, breach or default.

Section 8. Indemnification. The Company hereby agrees to indemnify, protect, save and keep harmless the Bank, and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against the Bank in any way relating to or arising out of the Assignment; or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sales, return or other disposition of any equipment subject to the Leases (including, without limitation, latent and other defects, whether or not discoverable by the Bank) and any claim for patent, trademark or copyright infringement.

Section 9. Appointment of Bank as Attorney. If any Event of Default (as defined in Section 12) shall occur and be continuing, then the Company constitutes the Bank and its successors and assigns, their true and lawful attorney, irrevocably and with full power of substitution, in their name or otherwise, to demand and sue for enforcement of the Collateral Documents, and to demand, receive, compromise, sue for, and give acquittance for, any and all moneys and claims for moneys due and to become due under the Collateral Documents assigned hereby or otherwise arising out of the Assignment, to endorse any checks or other instruments or orders in connection therewith, and with respect thereto which the Bank or its successors and assigns may deem necessary or advisable. Anything herein contained to the contrary notwithstanding, neither the Bank nor its nominee or assignee shall have any obligation or liability by reason of or arising out of the Assignment to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amounts to which it may be entitled at any time or times by virtue of the Assignment.

Section 10. Purchase of Leases by Bank. At any public sale pursuant to Section 12 hereof, the Bank or its agent may to the extent permitted by applicable law bid for and purchase the Equipment or the Collateral Documents offered for sale by action of the Bank, and, upon compliance in full with the terms of such sale, may hold, retain, and dispose of such property without further accountability therefor to the Company or any other party.

Section 11. Defaults. The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) The Company shall commit an Event of Default under Section 9 of the Loan Agreement; or

(b) The Company shall fail to perform any agreement under this Assignment within 20 days after notice from the Bank; or

(c) There shall occur any default under any of the Collateral Documents (or any event which with giving of notice, or lapse of time, or both would be an Event of Default) by any party to any Collateral Document, and such default shall remain uncured 180 days after its occurrence; provided, that if any assigned lease is terminated by the Company on account of such default, no default shall occur under this Assignment unless the Company and a new lessee or lessees have failed to execute a new lease or leases of equipment having a value equal to at least 90% of the value of all equipment covered by the original lease within 180 days of the default under the original lease, such new lease to provide for payment and to be upon terms not less beneficial than the Company's standard lease now in effect, and such lease to be assigned to the Bank to the extent possible under the Collateral Documents.

(d) Any representation made to any Bank in connection with this Assignment shall be materially false.

Section 12. Remedies. (a) Upon the occurrence and during the continuance of any Event of Default the Bank may:

(i) exercise all the rights and remedies granted to the Company in the Collateral Documents;

(ii) institute legal proceedings for the specific performance of any covenant or agreement herein undertaken by the Company or for aid in the execution of any power or remedy herein granted;

(iii) institute legal proceedings to foreclose upon and against the security interest granted in and by this Assignment, to recover judgment for all amounts

then due and owing as Indebtedness, and to collect the same out of any sale of or collection upon the Collateral Documents;

(iv) institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any Collateral Documents;

(v) demand, collect, and retain all hire, earnings and all other sums due and to become due in respect to the Collateral Documents from any party whomsoever, accounting only for net earnings arising from such use, if any, after charging against all receipts from the use of the same and from any subsequent sale thereof, all costs and expenses of, and damages or losses by reason of, such use or sale; or

(vi) personally, or by agents or attorneys, enter upon and into any place wherein the same may then be located, and take possession of any part or all of the Collateral Documents, with or without process of law and without being responsible for loss or damage, and sell or dispose of all or any part of the same, free from any and all claims of the Company or of any other party claiming by, through, or under the Company at law, in equity, or otherwise, at one or more public or private sales, in such place or places, at such time or times, and upon such terms as the Bank may determine, in its sole and complete discretion and in light of its own best interests, with or without any previous demand on or notice to the Company or advertisement of any such sale or other disposal; and for the aforesaid purposes, all notice of sale, advertisement, and demand and any right or equity of redemption otherwise required by, or available to the Company under, applicable law are hereby waived by the Company to the fullest extent permitted by applicable law. The power of sale hereunder shall not be exhausted by one or more sales, and the Bank may from time to time adjourn any sale to be made pursuant to this Section 12.

(b) At any time, before or after an Event of Default, the Bank may notify directly the parties to the Collateral Documents in the name of the Company or otherwise to make payments due to the Company directly to the Bank or as may otherwise be directed by the Bank.

(c) In the event that any mandatory requirement of applicable law shall obligate the Bank to give prior notice to the Company of any of the foregoing acts, the Company hereby covenants and agrees that a notice of such act sent to North American Car Corporation, 222 South Riverside Plaza, Chicago, Illinois 60606, Attention: Vice President - Finance

by certified U.S. mail, return receipt requested, at least five (or such longer period as may be required by applicable law) business days before the date of any such act shall be deemed to be reasonable notice of such act and, specifically, reasonable notification of the time and place of any public sale hereunder and reasonable notification of the time after which any private sale or other intended disposition to be made hereunder is to be made.

(d) The proceeds from the sale of the Equipment and Collateral Documents pursuant to any of the provisions of this Section 12 shall be applied as provided in the Loan Agreement.

(e) No sale or other disposition of all or any part of any unit of Equipment by the Bank pursuant to this Section 12 shall be deemed to relieve the Company of its liability for any deficiency in any part of its obligations hereunder.

Section 13. Changes. The Company represents and warrants that it has delivered true and correct copies of the Collateral Documents to the Bank, and the Company agrees that it will not alter, amend, release, or compromise any Collateral Documents without the consent of the Bank.

Section 14. Release of Equipment. From time to time hereafter, upon receipt by it of an appropriate Request (as defined below), the Bank agrees, so long as no Event of Default exists hereunder, to release the security interest granted to it hereunder to the extent that such security interest affects the Equipment described in such Request. For the purpose of this Section, a Request for a release respecting certain Equipment shall be in writing and shall be accompanied by a certificate of an officer of the Company which: (i) identifies the railroad cars constituting that portion of the Equipment which is the subject of such Request by road number (the "Released Equipment"); (ii) states the value of the Released Equipment as of December 31, 1976, as determined in accordance with the Code of Rules Governing the Condition of and Repairs to Freight and Passenger Cars for the Interchange of Traffic, adopted by the Association of American Railroads, Operations and Maintenance Department, Mechanical Division, as in effect at December 31, 1976 (the "1976 AAR Value"); and (iii) certifies that the 1976 AAR Value of all Equipment other than the Released Equipment is in excess of \$5,500,000. Upon receipt of a Request, the Bank agrees that it will promptly execute, acknowledge, and deliver to the Company all such documents as the Company may reasonably request to effect a release of Equipment in accordance with such Request.

IN WITNESS WHEREOF, the Company and the Bank have caused their names to be signed hereto by their respective

officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first written.

(SEAL)

NORTH AMERICAN CAR CORPORATION

By

James F. Compton

Title VICE PRESIDENT

Attest:

James M. Billepie

Title ASSISTANT SECRETARY

THE BANK OF NEW YORK

(SEAL)

By

Otto J. Beitz

Assistant Vice President

Attest:

Dr. A. C. C. C.

Title ASSISTANT
TREASURER

STATE OF Illinois)
COUNTY OF Cook) SS:

On this 2nd th day of August, 1978, before me personally appeared James J. Conston, to me personally known, who, being by me duly sworn, says that he is Vece President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was on August 2, 1978 signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

M. J. Winkelman
Notary Public

My Commission Expires 4-3-82.

STATE OF New York)
COUNTY OF New York) SS:

On this 3rd th day of August, 1978, before me personally appeared Obadiah Bege, to me personally known, who, being by me duly sworn, says that he is a Assistant Vice Pres. of THE BANK OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was on Aug 3, 1978 signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Ana Maria Vece
Notary Public

My Commission Expires 3/30/79.

ANA MARIA VECE
Notary Public, State of New York
No. 31-1501350
Qualified in New York County
Commission Expires March 30, 1979

SCHEDULE I TO COLLATERAL ASSIGNMENT
BETWEEN NORTH AMERICAN CAR CORPORATION AND BANK OF NEW YORK

COLLATERAL DOCUMENTS:

(1) The Collateral Documents, as defined in the foregoing Collateral Assignment and as filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act on April 24, 1973 at 3:50 p.m., are as follows:

Rec # 7000
(a) Conditional Sale Agreement dated as of March 31, 1973, among Pullman, Incorporated (Pullman-Standard Division), North American Car Corporation, and Chicago, Rock Island and Pacific Railroad Company, as assigned pursuant to an Agreement and Assignment dated March 31, 1973, from Pullman, Incorporated to First Pennsylvania Banking and Trust Company;

Rec # 7001
(b) Conditional Sale Agreement dated as of March 31, 1973, among Thrall Car Manufacturing Company, North American Car Corporation, and Chicago, Rock Island and Pacific Railroad Company, as assigned pursuant to an Agreement and Assignment dated March 31, 1973, from Thrall Car Manufacturing Company to First Pennsylvania Banking and Trust Company;

Rec # 7002
(c) Lease of Railroad Equipment dated as of March 31, 1973, between North American Car Corporation, as Lessor, and Chicago, Rock Island and Pacific Railroad Company, as Lessee, subject to the Assignment of Lease and Agreement dated as of March 31, 1978 from North American Car Corporation to the First Pennsylvania Banking and Trust Company; and

(d) Assignment of Lease and Agreement dated as of March 31, 1973 between North American Car Corporation and The First Pennsylvania Banking and Trust Company.

(2) The foregoing Collateral Assignment is made expressly subject in all respects to the rights and remedies of The First Pennsylvania Banking and Trust Company and its successors and assigns, under the Collateral Documents.

(3) Notwithstanding the foregoing Collateral Assignment, North American Car Corporation shall remain liable for all of its obligations under the Collateral Documents.